



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Outgoing
C0070038
#3467
K

July 21, 2010

Dennis Ware, Controller
Plateau Mining Company
P.O. Box 30
Helper, Utah 84526-0030

Subject: Authorization to Reduce Bond Amount, Crandall Canyon Area, Willow Creek Mine,
C/007/0038

Dear Mr. Ware:

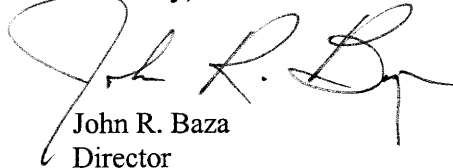
On July 7, 2010, the Division approved Plateau Mining Corporation's (PMC) application for Phase I bond release for the Crandall Canyon area of the Willow Creek Mine. As a part of this bond release, PMC requested a 60% reduction in its bond.

Plateau Mining Corporation currently has a surety bond in the amount of \$2,175,114, of which \$1,251,000 is designated for the Crandall Canyon area. You are hereby authorized to reduce the Crandall Canyon portion of the Willow Creek bond by 60% or \$750,600. Therefore, the new surety bond amount required by the Division is \$1,424,514.

Please provide a surety rider from Travelers Casualty and Surety Company of America with this new amount. Also, please complete and return the enclosed Exhibit "D", Exhibit "A" and Affidavits of Qualification. At this time, we would also like to ask that you provide six clean copies of the approved Phase I bond release information to update the Mining and Reclamation Plan. Please provide this information as soon as possible, but by no later than August 19, 2010.

If you have any questions, please feel free to contact Angela Nance, bond coordinator, at (801) 538-5264 or Daron Haddock, coal manager, at (801) 538-5325.

Sincerely,


John R. Baza
Director

an
Enclosure

cc: Travelers Casualty and Surety Company of America
Richard Holbrook, OSM
Jeff McKenzie, BLM
Price Field Office

EXHIBIT “D”

Stipulation to Revise Reclamation Agreement (Federal)

Mine Name: _____
Permit Number: _____
Effective Date: _____
Bond Number: _____

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

- ☐ Replace the Reclamation Agreement in its entirety.
- ☐ Replace Exhibit "A"- bonded area.
- ☐ Rider added to existing Exhibit "B"- bonding agreement
- ☐ Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ _____ to \$ _____

The bonding type is changed from _____ to _____.

The surface disturbance is revised from _____ acre to _____ acres.

The expiration date is revised from _____ to _____.

The liability insurance carrier is changed from _____ to _____.

The amount of insurance coverage for bodily injury and property damage is changed
from
\$ _____ to \$ _____.

Exhibit "D"
Stipulation to Revise
Reclamation Agreement
Federal

IN WITNESS WHEREOF, _____ the **PERMITTEE** has hereunto set
its signature and seal this _____ day of _____, 20__.

PERMITTEE

By: _____

Title: _____

ACCEPTED BY THE STATE OF UTAH this ____ day of _____, 20__.

Director,
Division of Oil, Gas and Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power or Attorney of a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

EXHIBIT “A”

Bonded Area Legal Description

(Federal Coal)

Exhibit "A"
Legal Description
Federal
Bond Number _____

EXHIBIT "A"

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA :

Legal description of BONDED AREA:

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

IN WITNESS WHEREOF the **SURETY** has hereunto set its signature and seal this

_____ day of _____, 20____.

SURETY

By:

Title:

--ooOOoo--

(Signed)
Name - Position

STATE OF _____)
COUNTY OF _____) ss:

Notary Public

_____, 20____.

Bond Number _____

AFFIDAVIT OF QUALIFICATION SURETY COMPANY

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I, _____, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) _____ of _____; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

(Signed)
Surety Company Officer - Position

Attest:

STATE OF _____)
COUNTY OF _____) ss:

Subscribed and sworn to before me this ____ day of _____, 20__.

Notary Public

My Commission Expires:

_____, 20____.